

DES

Deutsche EuroShop

11/08

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THE CHANGING FACE
OF RETAIL



[Company](#) | [Shopping Centers](#) | [Financials](#) | [Shopping Center Share](#) | [Appendix](#)

- Deutsche EuroShop is Germany's only public company that invests solely in shopping centers.
- Shopping centers are attractive investments because of
 - continuously positive development of rents
 - stable long term growth
 - prime locations
 - high quality standards

Pure Player

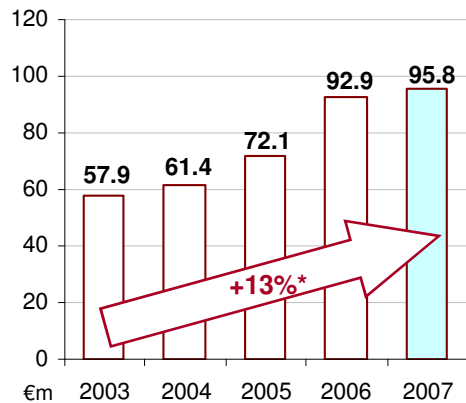
- 16 shopping centers on high street and in established locations – 12 in Germany, 2 in Poland and one each in Austria, Hungary

16 Centers

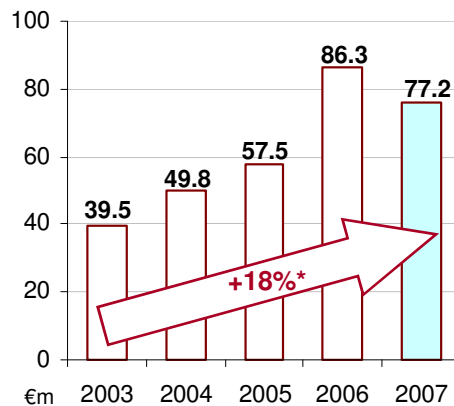
- | | |
|----------------|----------------------|
| Lettable space | approx. 643,000 sqm |
| Retail shops | approx. 1,660 |
| Market value | approx. €2.6 billion |
| Rents per year | €167 million |
| Occupancy rate | > 99% |

- Professional center management by ECE, the European market leader in this industry

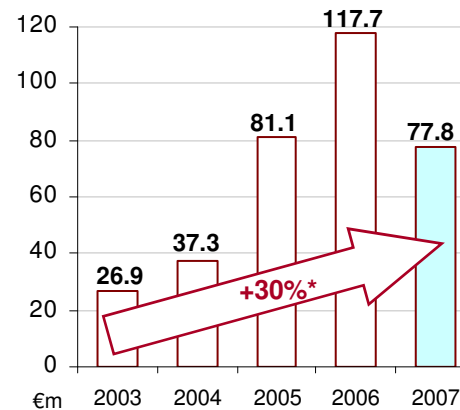
Revenue



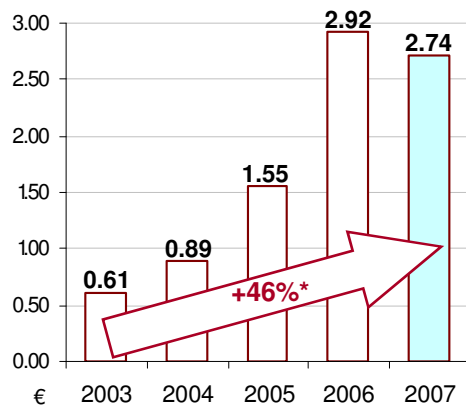
EBIT



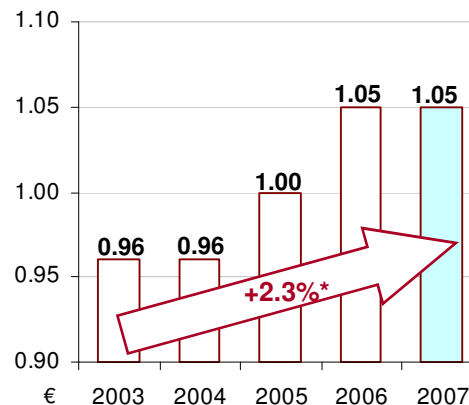
EBT



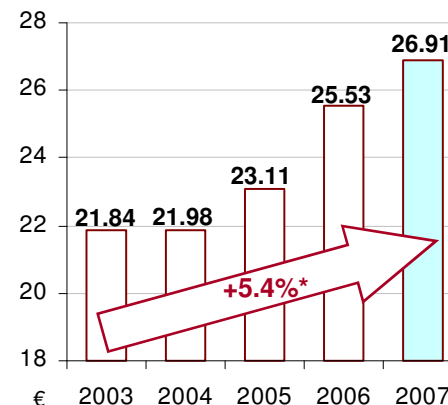
EPS



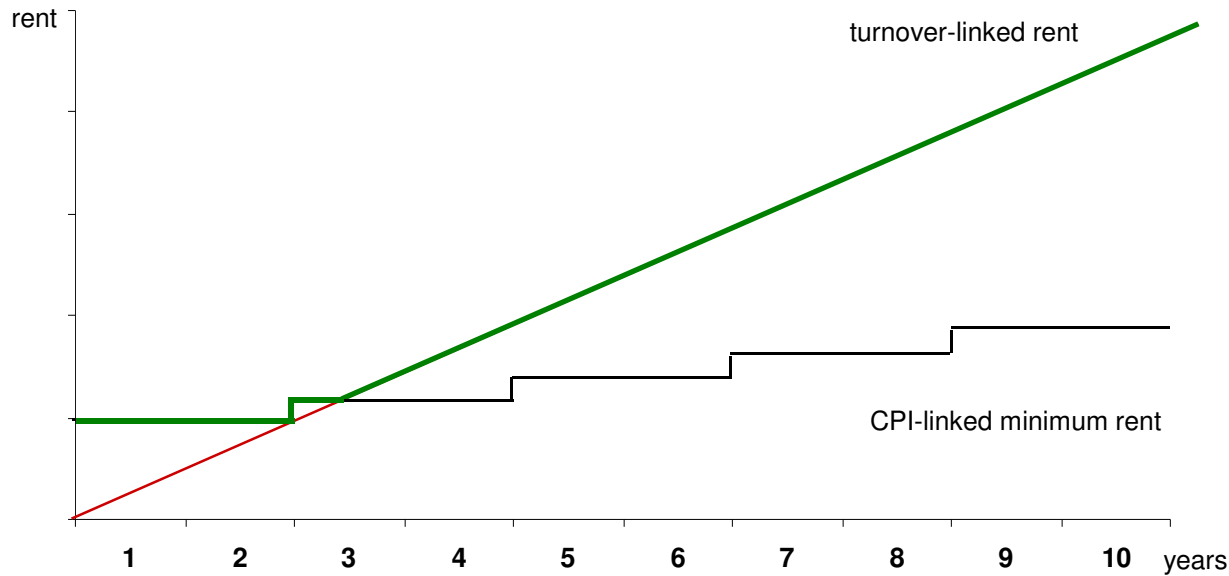
Dividend per share



NAV per share



*2003-2007, Compound Annual Growth Rate (CAGR)



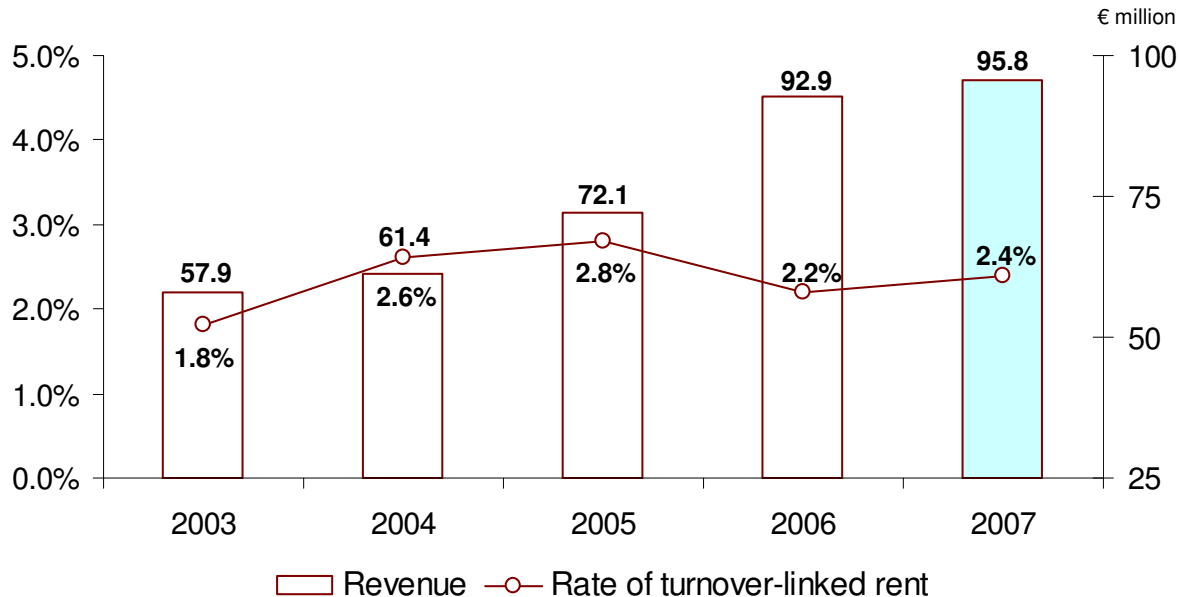
General form of
lease contracts
for DES-tenants

- Lease standards:
 - 10 years lease only
 - no break-up option
 - turnover-linked rents
 - minimum rents are CPI-linked, upwards only

Participation in
sales growth of
retail industry

- avg. rent per sqm and year: €250
- avg. turnover per sqm and year: €4,700
- Rent-to-sales-ratio: 6.5-8.5%
- weighted maturity of rental contracts: >8 years

avg. German retail:
€3,270



- Long term net asset value enhancement
- “buy & hold”-strategy
- Stable and attractive dividends
“After-tax“ dividend yield: currently 5.0%
- Investment-focus: Germany and up to 25% Europe
- Portfolio expansion by 10% per year
 - by acquisition of new shopping centers
 - by increasing existing amounts of holdings

Main focus on
NAV and dividend

Continuous growth



Company | **Shopping Centers** | Financials | Shopping Center Share | Appendix





	Main-Taunus-Zentrum Frankfurt	Rhein-Neckar-Zentrum Viernheim	Altmarkt-Galerie Dresden
Location	Frankfurt	Viernheim	Dresden
Investment	43.1%	99.9%	50.0%
Lettable space sqm	103,400	63,600	44,500
Parking	4,000	3,800	500
Number of shops	approx. 100	approx. 100	approx. 100
Occupancy rate	100%	100%	99%
Catchment area	approx. 2.2 m. inhabitants	approx. 1.4 m. inhabitants	approx. 1.0 m. inhabitants
Opening / refurbishm.	1964 / 2001-2004	1972 / 2000-2003	2002



	Phoenix-Center Hamburg	Allee-Center Hamm	Forum Wetzlar
Location	Hamburg	Hamm	Wetzlar
Investment	50.0%	88.9%	65.0%
Lettable space sqm	39,200	35,100	34,300
Parking	1,600	1,300	1,700
Number of shops	approx. 110	approx. 85	approx. 110
Occupancy rate	99%	100%	100%
Catchment area	approx. 0.6 m. inhabitants	approx. 1.0 m. inhabitants	approx. 0.5 m. inhabitants
Opening / refurbishm.	2004	1992 / 2002-2003	2005



	Rathaus-Center Dessau	City-Galerie Wolfsburg	City-Point Kassel
Location	Dessau	Wolfsburg	Kassel
Investment	94.9%	89.0%	40.0%
Lettable space sqm	30,600	30,000	29,500
Parking	850	800	220
Number of shops	approx. 80	approx. 90	approx. 60
Occupancy rate	98%	100%	100%
Catchment area	approx. 0.5 m. inhabitants	approx. 0.3 m. inhabitants	approx. 0.8 m. inhabitants
Opening	1995	2001	2002



	City-Arkaden Wuppertal	Stadtgalerie Passau	Stadt-Galerie Hameln
Location			
Investment	72.0%	75.0%	94.9%
Lettable space sqm	28,700	27,200	25,000
Parking	650	500	500
Number of shops	approx. 85	approx. 90	approx. 100
Occupancy rate	100%	100%	100%
Catchment area	approx. 0.7 m. inhabitants	approx. 0.4 m. inhabitants	approx. 0.4 m. inhabitants
Opening / refurbishm.	2001 / 2004	2008	2008



	Galeria Bałtycka Gdansk, Poland	City Arkaden Klagenfurt, Austria	Árkád Pécs, Hungary
Location			
Investment	74.0%	50.0%	50.0%
Lettable space sqm	47,600	36,700	35,200
Parking	900	880	850
Number of shops	approx. 200	approx. 120	approx. 130
Occupancy rate	100%	100%	100%
Catchment area	approx. 1.1 m. inhabitants	approx. 0.4 m. inhabitants	approx. 0.5 m. inhabitants
Opening	2007	2006	2004



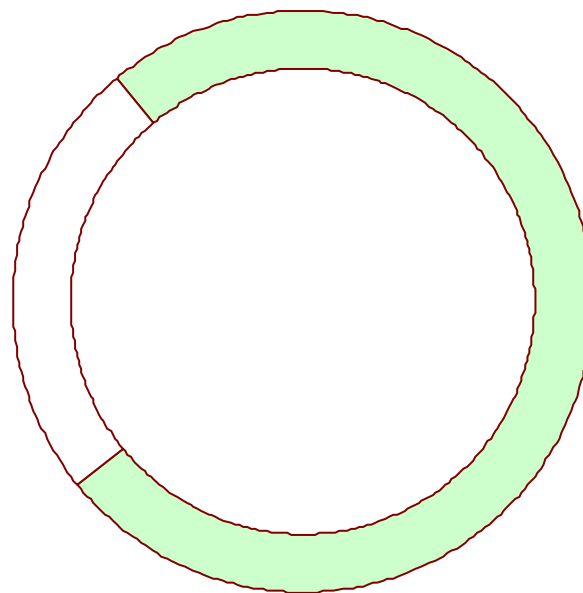
	Galeria Dominikanska
Location	Wrocław, Poland
Investment	33.3%
Lettable space sqm	32,800
Parking	900
Number of shops	approx. 100
Occupancy rate	100%
Catchment area	approx. 1.3 m. inhabitants
Opening	2001



Well-known
tenants

Tenants Structure Top 10 tenants*

Metro-Group	5.8%
Douglas-Group	4.5%
Peek & Cloppenburg	2.9%
H&M	2.4%
Inditex	2.1%
New Yorker	2.1%
Deichmann	1.8%
Engelhorn & Sturm	1.4%
dm-Drogeriemarkt	1.3%
REWE	1.1%



Low level of
dependence on
the top 10 tenants

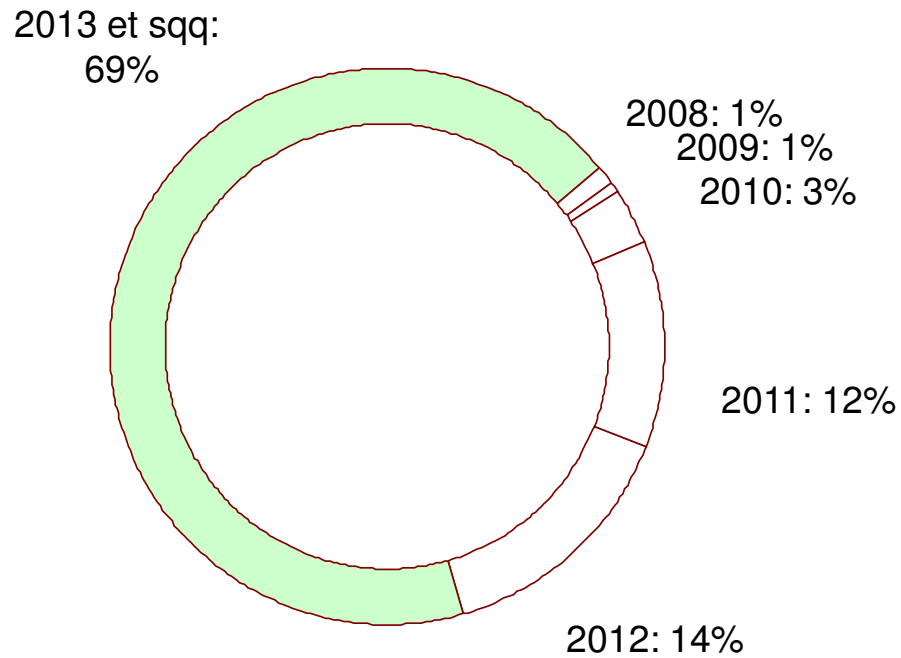
total 25.4%

Other tenants

total 74.6%

*in % of total rents; not including Passau as at 31 Dec 2007

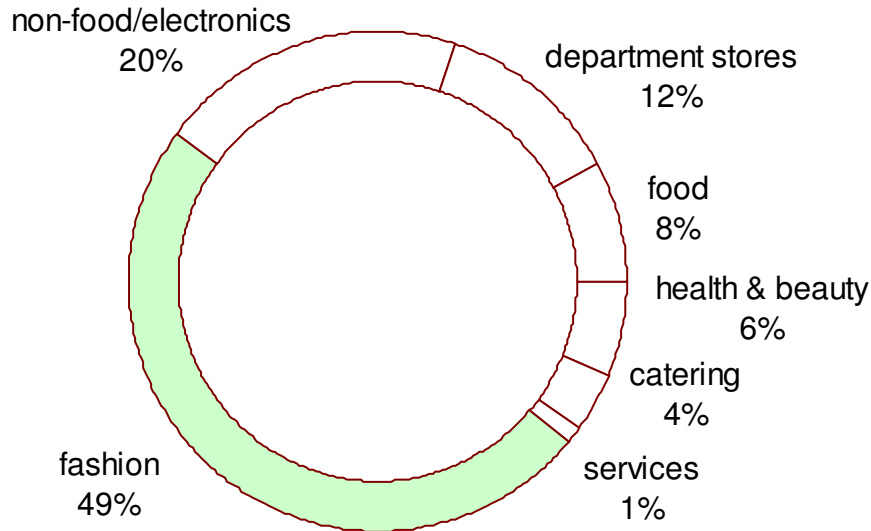
Maturity Distribution of Rental Contracts*



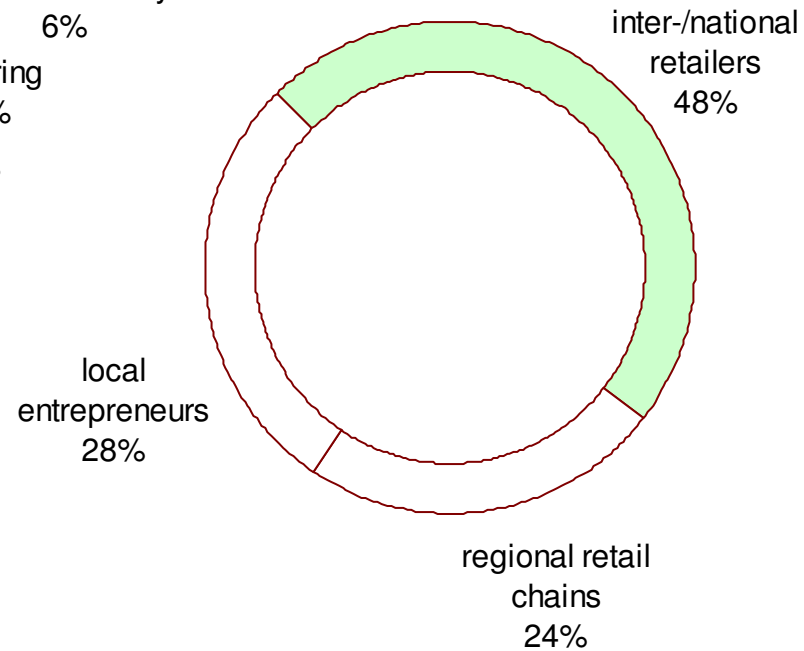
Long-term contracts
guarantee rental income

Weighted maturity
> 8 years

*as % of rental income – not including Passau as at 31 Dec 2007



Balanced sector and retailer diversification



*in % of lettable space; not including Hameln and Passau as at 31 Dec 2007



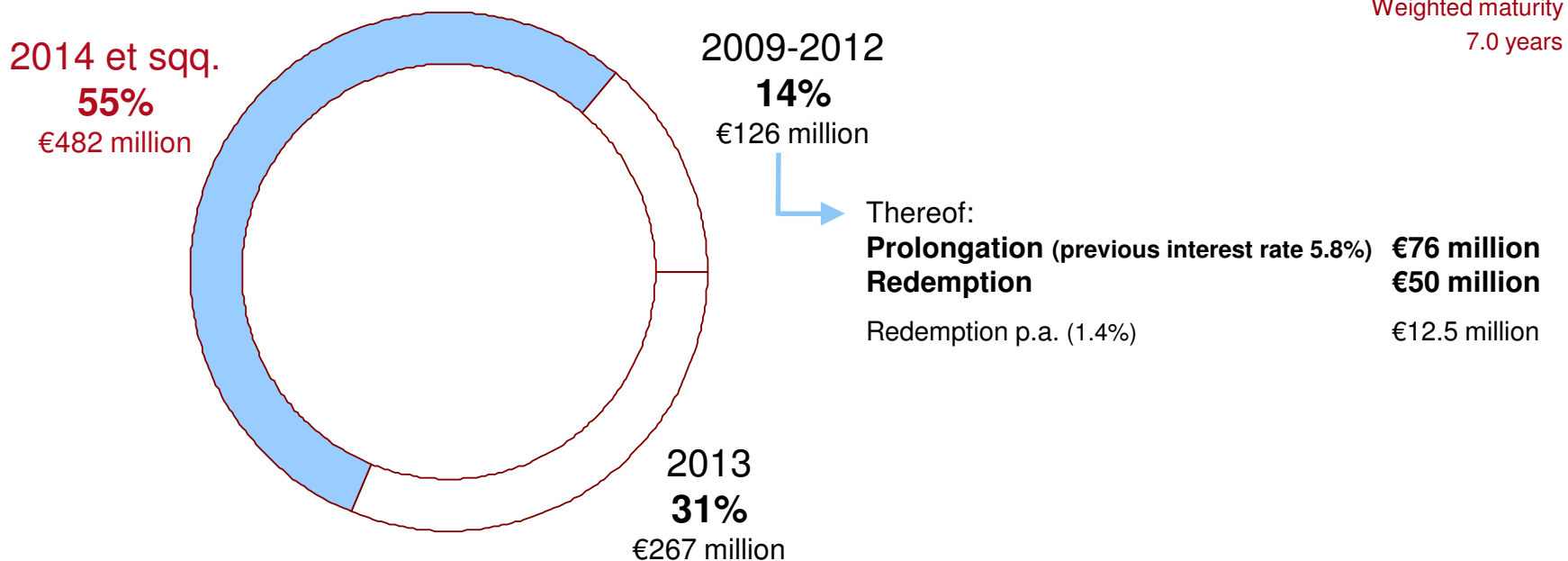
Company | Shopping Centers | **Financials** | Shopping Center Share | Appendix

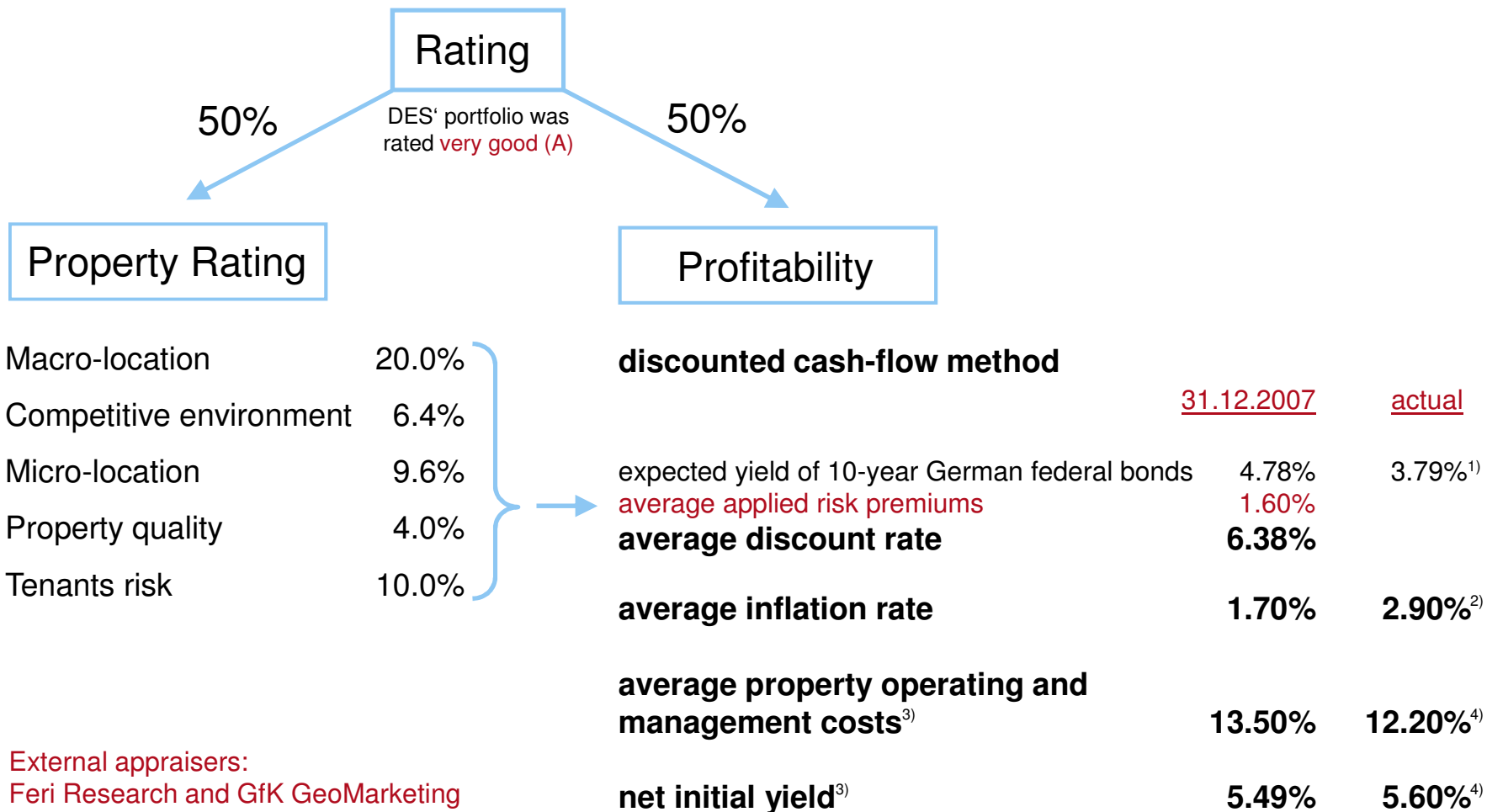
€ million	01.01.- 30.09.2008	01.01.- 30.09.2007	+/-
Revenue	84.1	68.9	22%
EBIT	69.5	55.6	25%
Net finance costs	-36.0	-29.7	21%
EBT	37.9	25.6	48%
Consolidated profit	31.3	44.5	-30%
FFO per share (€)	1.00	0.76	32%
Earnings per share (€)	0.91	1.29	-30%

	30.09.2008	31.12.2007	+/-
Total equity	961.4	974.0	-1%
Interest bearing debt	897.1	896.0	0%
Other debt	103.2	106.3	-3%
Total assets	1,961.7	1,976.3	-1%
Equity ratio	49.0%	49.3%	
LTV ratio	47.4%	48.7%	

Bank debt > 1 month maturity: €875 million

avg. effective interest rate
5.36%





¹⁾ Status: 7 November 2008

²⁾ German Federal Statistical Office, September 2008

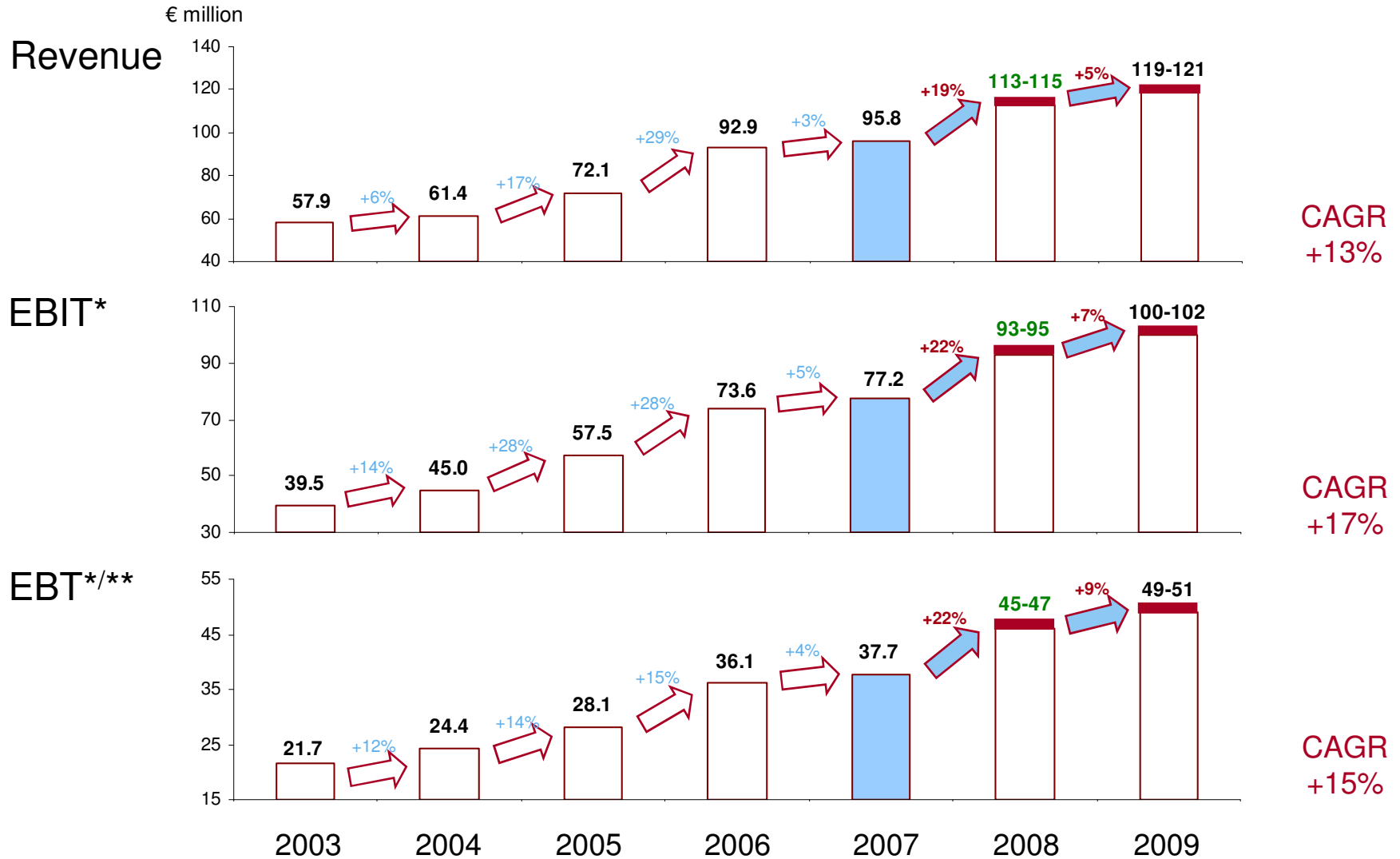
³⁾ Investment properties, i.e. without Hameln and Passau

⁴⁾ Plan 2008

€ million	30.09.2008	10.11.2008
Origin	Balance sheet	Share price 20.95 €
Equity	850.6	720.2
Debt	1,111.1	1,111.1
Short term assets	-68.0	-68.0
Net debt	1,179.1	1,179.1
Enterprise value = Long term assets	1,893.7	1,763.3

NOI *	106.0
NOI Yield	6.0%
Gross Yield	6.8%
Multiplier	14.6 fold

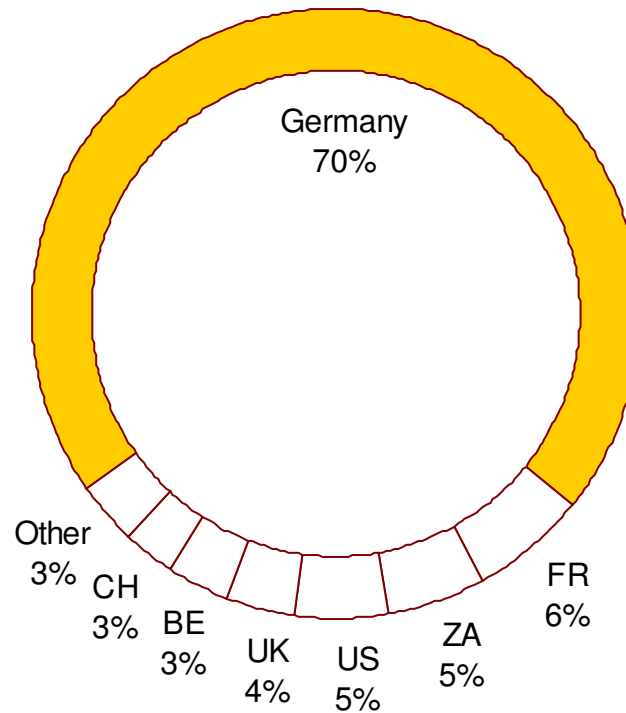
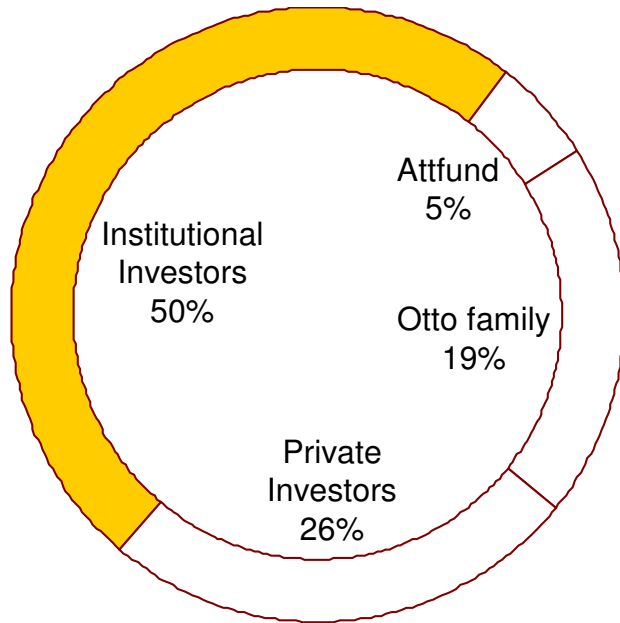
* annualised



*adjusted for one-time proceeds from disposals/**excluding measurement gains and losses



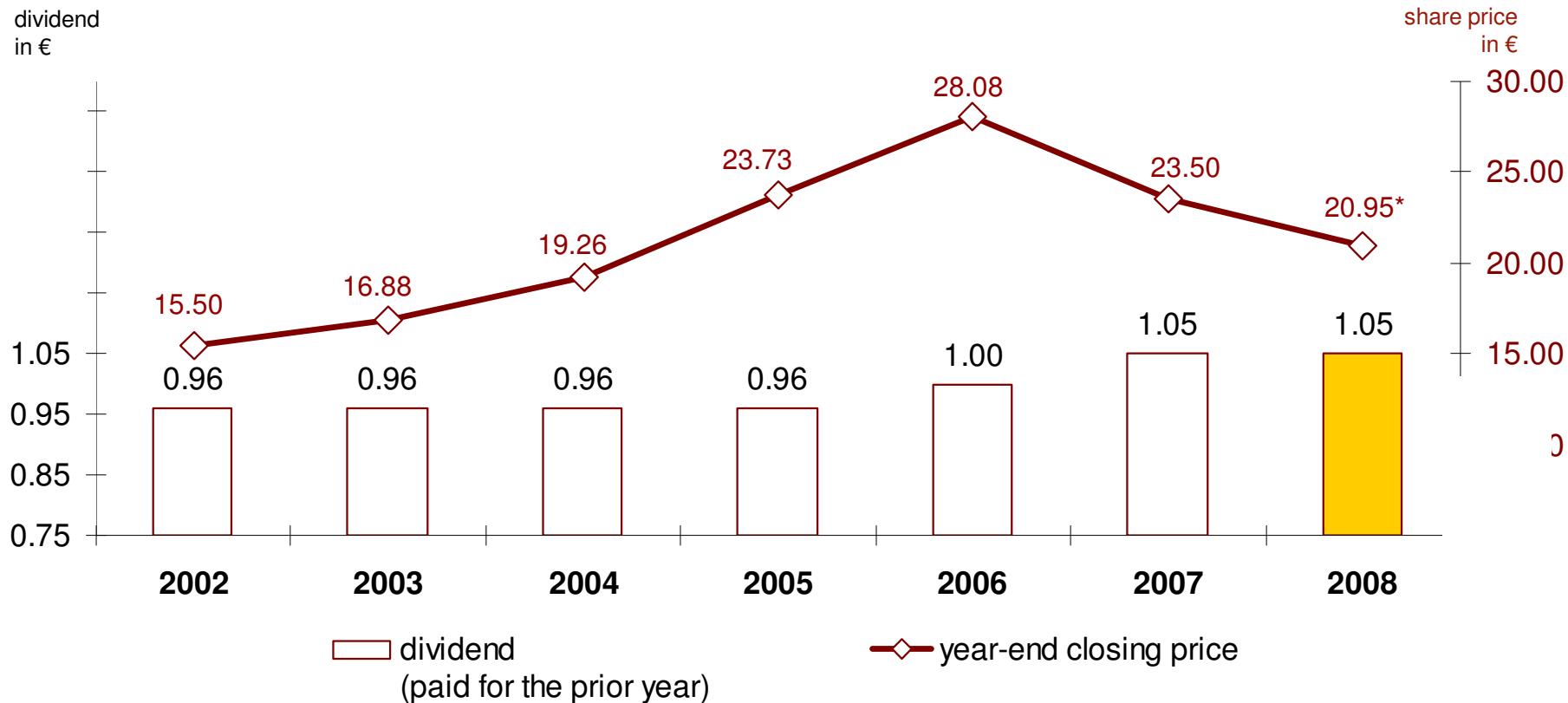
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7,700 shareholders

Free float 81%

Status: 08 October 2008



Performance:

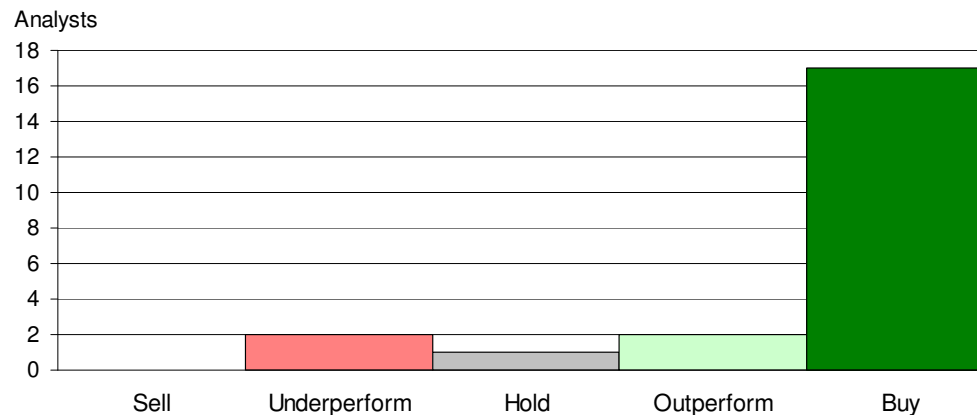
5 years : +91.1% = +13.8% p.a.

3 years: +37.2% = +11.1% p.a.

1 year (2007): -13.1%

y-t-d: -6.4%

*Status: 10 November 2008



avg. / in €	2008	2009
EBIT (in € million)	92.07	101.71
EPS	1.89	1.56
Dividend	1.12	1.16
Price target		26.10



Status: 4 November 2008

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Listed since	02.01.2001
Nominal capital	€34,374,998
Outstanding shares	34,374,998
Class of shares	Registered shares
Dividend 2007 (20.06.2008)	€1.05
52W High	€29.10
52W Low	€17.26
Share price (10.11.2008)	€20.95
Market capitalisation	€720 million
avg. turnover per day last 12 months	156,000 shares
Indices	MDAX, EPRA, GPR, MSCI Small Cap
Official market	Prime Standard Frankfurt and XETRA
OTC market	Berlin-Bremen, Düsseldorf, Hamburg, Hanover, Munich und Stuttgart
ISIN	DE 000 748 020 4
Ticker	DEQ, Reuters: DEQn.DE
Market makers	Close Brothers Seydler, WestLB

2008

- 11.11. **Interim report Q1-3 2008**
- 12.11. WestLB Deutschland Conference, Frankfurt
- 19.11. Roadshow Zurich, DZ Bank
- 03.12. Investors Dinner Frankfurt, Bankhaus Lampe
- 09.12. ESN Mid & Small Cap Conference, London
- 10.-11.12. Roadshow London, Rabobank

2009

- 21.01. Cheuvreux German Corporate Conference, Frankfurt
- 04.-05.02. Close Brothers Seydler Small & Mid Cap Conference, Frankfurt
- 04.03. HSBC Small & Mid Cap Real Estate Conference, Frankfurt
- 24.04. **Annual earnings press conference, Hamburg**
- 14.05. **Interim report Q1 2009**
- 27.-28.05. Kempen & Co European Property Seminar, Amsterdam
- 30.06. **Annual General Meeting, Hamburg**
- 13.08. **Interim report H1 2009**
- 22.-24.09. UniCredit German Corporate Conference, Munich
- 12.11. **Interim report Q1-3 2009**

Claus-Matthias Böge
Chief Executive Officer



Olaf G. Borkers
Chief Financial Officer



Patrick Kiss
Head of Investor & Public Relations



Nicolas Lissner
Manager Investor & Public Relations



Deutsche EuroShop AG
Investor & Public Relations
Oderfelder Straße 23
20149 Hamburg

Tel. +49 (40) 41 35 79 - 20 / -22
Fax +49 (40) 41 35 79 - 29
E-Mail: ir@deutsche-euroshop.com
Web: www.deutsche-euroshop.com

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Many factors could cause the actual results to be materially different from those that may be expressed or implied by such statements.

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